Appendix E



A Report Prepared for:

FF Development, L.P. 5510 Morehouse Drive, Suite 200 San Diego, California 92121

Attention: Mr. Shon Finch

PHASE I ENVIRONMENTAL SITE ASSESSMENT 1001 MURPHY RANCH ROAD MILPITAS, CALIFORNIA

AUGUST 20, 2004

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526.025.01.001

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1.0 INTRODUCTION

1.1 Purpose and Scope of Work

This report presents the results of a Phase I Environmental Site Assessment (ESA) of the undeveloped land at 1001 Murphy Ranch Road in Milpitas, California (Plate 1). PES Environmental, Inc. (PES) was retained by FF Development, L.P. (FF Development) to evaluate the potential for onsite and/or offsite releases of hazardous materials to have affected the subject property. PES understands that FF Development is considering acquisition of the property for residential redevelopment. The subject property is owned by Lucent Technologies.

These ESA activities were performed pursuant to our Service Agreement (Reference No. 526.025.01.P01) dated August 2, 2004 and in accordance with American Society of Testing and Materials (ASTM) guidelines for performing ESAs of commercial properties (ASTM E-1527-00). PES performed the following tasks during the ESA:

- Reviewed federal, state, and local agency records and databases to identify nearby sites which have reported the use, storage, or release of hazardous materials;
- Reviewed historical aerial photographs and a topographic map of the subject property and surrounding area to evaluate prior land uses;
- Reviewed previous environmental reports prepared for the subject property;
- Reviewed records at applicable regulatory agencies for nearby sites with documented releases of hazardous materials and hazardous materials/waste storage;
- Conducted an inspection of the subject property and a reconnaissance of the surrounding area to provide an assessment of the potential for contamination of the subject property from onsite and/or offsite sources; and
- Prepared this report presenting the results of the ESA.

1.2 Special Terms and Conditions

PES was not provided a chain-of-title report for the subject property. There are no other special terms or conditions for this project.

1.3 Limitations

The ESA activities were conducted in accordance with practices and procedures generally accepted in the consulting engineering field. Our professional judgment to assess the potential for contamination was based on limited data; no warranty is given or implied by this report.

2.0 SITE DESCRIPTION

2.1 Location

The subject property consists of an undeveloped lot covering approximately 21.7 acres at 1001 Murphy Ranch Road in Milpitas, Santa Clara County, California (Plate 1). The site is bounded on the north by Technology Drive and Bellew Pump Station, on the east by Murphy Ranch Road, on the south by an access road and Murphy Ranch Pump Station, and on the west by a levee associated with Coyote Creek. Access to the subject property is obtained from Murphy Ranch Road, Technology Drive and the access road.

2.2 Site and Vicinity Characteristics

The subject property consists of an undeveloped lot consisting of two parcels comprising approximately 21.7 acres (Assessor's Parcel Numbers 086-01-041 and 042). The site is located in an area of Milpitas that is primarily office/commercial and light industrial.

2.3 Physical Setting

PES reviewed the Milpitas Quadrangle United States Geological Survey (USGS) 7.5-minute topographic map (1979) to evaluate the physical setting. According to the map, the subject property is situated at an elevation of approximately 20 feet above mean sea level, and the terrain slopes gently to the north-northwest. The nearest surface water body is Coyote Creek, which is present approximately 30 feet west of the subject property.

2.4 Geology and Hydrogeology

Based on the results of investigations performed in the site vicinity, near-surface soil in the site vicinity consists primarily of clays and silts with minor sand lenses.

Depth to shallow groundwater in the site vicinity has been observed at approximately 10 to 15 feet below ground surface (bgs). Based on topography and the results of most groundwater investigations conducted in the site vicinity, groundwater flow beneath the site is expected to be to the northwest. However, groundwater flow to the southeast was measured at the site immediately southwest of the subject property.

The 1998 Federal Emergency Management Agency (FEMA) map for the subject property area shows the subject property is in an area protected from a 100-year flood by a levee.

2.5 Descriptions of Existing Onsite Structures and Improvements

2.5.1 Structures and Current Use

The subject property is currently undeveloped. The site has been recently disked except for an area with apparent native growth and weeds at the northwestern corner of the subject property. There are no structures on the subject property, although boxed beehives are present on the northwestern portion of the site. According to Ms. Adora Walker, Lucent Technologies property manager, there is no formal lease agreement with the beekeeper that uses the site.

2.5.2 Other Improvements

Vent pipes which appeared to be associated with pump equipment were observed on the northwestern portion of the subject property. According to Ms. Walker, Santa Clara Valley Water District (SCVWD) has easements on the subject property associated with the levee and pumping activities. A marker noting the presence of underground gas lines was observed on the northwest portion of the site. Additionally, underground water pipelines associated with the City of San Francisco Hetch-Hetchy water system are reportedly present along the southern property boundary.

Gas and electric service is provided in this region by Pacific Gas & Electric. Potable water and sanitary sewer services in this region are provided by the City of Milpitas.

2.6 Current Uses of Adjoining Properties

PES conducted a reconnaissance of the surrounding area to assess whether neighboring properties pose potential environmental concerns to the subject site. Adjacent land uses are identified on Plate 1. Adjacent properties are used for residential and commercial purposes. The results of our surrounding area reconnaissance are presented below.

Property to the North

The subject property is bordered on the north by Technology Drive (formerly Bellew Road) and Bellew Pump Station. Technology Drive ends at the pump station. Farther north across Technology Drive is KLA Tencor. An underground storage tank (UST) is registered at the Bellew Pump Station.

Property to the East

The subject property is bordered on the east by Murphy Ranch Road. Farther east, across Murphy Ranch Road, are Maxtor, vacant commercial buildings and Sumac Drive.

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Property to the South

The subject property is bordered to the south by an access road and Murphy Ranch Pump Station. Farther south is Phoenix Technologies and Intersil.

Property to the West

The subject property is bordered to the west by a levee associated with Coyote Creek. Coyote Creek is present approximately 30 feet west of the subject property.

2.7 Past Uses of the Property and Adjoining Properties

Historical site use information was obtained through a review of historical aerial photographs and historical topographic maps. Sanborn Fire Insurance Maps were not available for the subject property area.

2.7.1 Aerial Photograph Review

Aerial photographs from June 24, 1951; July 22, 1963; August 11, 1971; October 4, 1976; July 7, 1982; June 28, 1988; July 20, 1992 and May 17, 1999 were provided digitally by Pacific Aerial Surveys in Oakland, California. The results of the aerial photograph review are as follows:

The Subject Property

Photographs from 1951 through 1999 show the subject property as agricultural land with orchards and field crops. In the 1971 photograph, some of the orchard has been replaced with field crops, and by the 1976 photograph, only field crops are observed.

In photographs from 1951 through 1988, at least 15 farm buildings are present along Coyote Creek. The majority of the buildings were present at the current location of the Coyote Creek levee, but approximately three to four small buildings may have been present along the western edge of the subject property. The 1992 photograph shows that some of the buildings have been removed. In the 1999 photograph, no buildings remain on the subject property.

Surrounding Properties

Aerial photographs from 1951 through 1982 show the subject property area as primarily undeveloped agricultural land. Some farm buildings are present immediately north of the subject property and southwest of the subject property across Coyote Creek. On the 1982 photograph, an additional building is present north of the subject property. The 1988 photograph shows the presence of the currently-existing Murphy Ranch and Bellew Pump Stations immediately south and north of the subject property, respectively. Murphy Ranch Road has been constructed. On the 1992 photograph, a commercial development has been

constructed east of the site across Murphy Ranch Road, and the buildings formerly present immediately north of the subject property have been removed. On the 1999 photograph, the subject property vicinity is shown as it currently exists, with commercial developments west across Coyote Creek, and north, east and south of the subject property. A levee topped by a dirt road has been constructed immediately west of the subject property.

2.7.2 Historical Topographic Maps

PES reviewed the Milpitas Quadrangle United States Geological Survey (USGS, 1979) 7.5-minute topographic map. The map shows the subject property as vacant. Three small structures are shown either on or immediately west of the subject property at the current location of the levee. The surrounding area is primarily vacant or orchards. Two small structures are present north of the site across Technology Drive, and a group of small structures is shown approximately 1,000 feet south of the subject property. A well is shown across Coyote Creek from the site, and Agnews State Hospital is shown farther southwest of the site across Coyote Creek.

2.7.3 Property Owner Interviews

PES contacted Ms. Walker, Ms. Sandy Izumi and Mr. Steve Mendez, current and former Lucent Technologies property managers for the subject property. Ms. Walker, the current property manager, was unable to locate the subject property historical file. As a result, no documentation concerning previous activities on the subject property was available.

The property managers reported that agricultural use of the subject property ended in approximately 2001, but that the field is disked on an annual basis. The property managers further reported that the City of Milpitas used the property for launching fireworks for approximately two years (2000 and 2001). None of the property managers had any recollection regarding removal and/or disposal of oil and fuel containers observed on the subject property during a previous Phase I ESA investigation (see Section 3.2, below).

Ms. Izumi reported that burrowing owls were observed on the subject property, and that relocation of the owls was performed in approximately 2001 under a permit from the California Fish and Game Department. Ms. Walker reported that the contractor who recently disked the property did not observe any burrowing owls.

Mr. Mendez recalled that a water well on the subject property was capped in approximately 2000, but he was unsure of the location of the well. Ms. Walker indicated that she thought the vents and pump equipment currently on the site were associated with SCVWD activities.

As noted above, according to Ms. Walker, Lucent has no formal lease agreement with the beekeeper that maintains the boxed beehives. Ms. Walker indicated there is an informal agreement with the beekeeper.

None of the property managers had any recollections of the demolition of the farm buildings on the subject property, or the presence or disposal of chemicals reportedly associated with the farm. The property managers indicated that, to their knowledge, no Phase II investigations had been performed on the subject property.

3.0 PREVIOUS ENVIRONMENTAL INVESTIGATIONS

PES reviewed the following environmental reports previously prepared for the subject property and vicinity:

- August 28, 1997 report entitled *Phase I Environmental Site Assessment, OCTEL Communications Corporation* by Harding Lawson Associates (HLA); and
- October 31, 2000 report entitled Report of Phase I Environmental Site Assessment, Vacant Parcel, Lucent Technologies, Inc., 1001 Murphy Ranch Road, Milpitas, California by LawGibb Group (LawGibb).

The findings of the previous reports reviewed by PES are presented below.

3.1 1997 Phase I ESA

In October 1997, HLA performed an ESA for OCTEL-owned facilities and properties. A copy of the ESA is included in Appendix A. The subject property was included in the properties investigated by HLA. HLA's definition of the subject property is unclear, and appears to include the existing Murphy Ranch and Bellew Pump Stations and levee area as part of the subject property. Additionally, HLA's report is unclear in differentiating the historical uses between the subject property and property immediately south of the subject property.

At the time of HLA's ESA, the subject property was used for agricultural purposes. Several farm buildings were noted on or near the western property boundary. HLA noted the presence of an underground Hetchy-Hetchy underground water pipeline owned by the City of San Francisco running along the southern edge of the site.

HLA's historical research indicated that the subject property was in agricultural use from at least the 1950s. Houses, barns and sheds were observed along the western edge of the subject property beginning in the 1950s. HLA reported that, based on their review of a 1992 Preliminary ESA prepared by Hart Crowser (not provided to PES for review), pesticides and herbicides were mixed and used on the OCTEL property, and that Hart Crowser observed USTs and chemicals associated with farm buildings present on the OCTEL property. In HLA's report, it appears that USTs and pesticide mixing warehouse were present on the property immediately south of the subject property, but the report is unclear. No maps were provided identifying the discussed areas.

The HLA report is unclear regarding exact subject property boundaries; PES's research indicates the majority of the historical buildings were located immediately west of the subject property beneath the existing Coyote Creek levee (see Section 2.7).

HLA's review of regulatory agency databases and records identified a former LUST site at the northwest subject property boundary. A 500-gallon diesel UST was discovered and removed by SCVWD in September 1993, and was issued case closure following removal of contaminated soil. This site is discussed further in Section 4.3 as McCarthy Ranch at Bellew. HLA concluded there were no offsite sources which posed a significant environmental concern to the subject property.

Based on historical use of pesticides on the site, and the unknown disposition of chemicals historically observed at the site, HLA recommended that a limited Phase II investigation be performed to evaluate potential impacts to the subject property.

3.2 2000 Phase I ESA

In October 2000, LawGibb Group performed an ESA for the subject property (LawGibb, 2000). A copy of the ESA is included in Appendix B.

At the time of LawGibb's site inspection, the subject property was undeveloped and in agricultural use. LawGibb noted the presence of a 5-gallon container of oil and an approximately 100-gallon aboveground storage tank (AST) at the northwest corner of the subject property near the Bellew Pump Station. The use and owners of the containers was unknown by the property owners. LawGibb also noted the presence of burrows associated with the endangered burrowing owl. A marsh area was observed in the northwestern portion of the subject property near pumping equipment. LawGibb did not identify any wetlands designation of the area.

LawGibb's historical research confirmed that the site had been used for agricultural purposes since at least the 1950s. LawGibb reported that a farm with multiple structures was historically present at the current location of the levee. The property owner reported to LawGibb that the site was used by the City of Milpitas for Fourth of July fireworks displays.

No offsite sources of environmental concern were identified by LawGibb.

Based on the historical pesticide use at the site, and the unknown historical chemical handling and storage practices at the site, LawGibb recommended that a Phase II investigation be performed to evaluate potential impacts to the subject property. LawGibb also recommended that the cause for the marsh area be evaluated, that the site be inspected for the presence of burrowing owls during their nesting season, and that oil and fuel containers observed on the site be appropriately disposed.

4.0 RECORDS REVIEW

4.1 Environmental Liens

Based on review of an environmental database search conducted by Environmental Data Resources, Inc. (EDR), there are no Federal Superfund (NPL) liens or State deed restrictions associated with the subject property.

4.2 Standard Environmental Record Sources

The discussion presented in this section is based on available information provided by government agencies and various databases of reported sites that may be of potential hazardous material concern to the subject property. An EDR report dated August 3, 2004 contains listings of sites located within a 1-mile radius which were selected in accordance with ASTM E-1527-00 standards. This information is obtained from computerized databases of Federal, State and local records. Descriptions of the lists reviewed are presented below. The EDR database report is included as Appendix C.

The following regulatory agency databases were searched and reported in the EDR report:

- U.S. Environmental Protection Agency (EPA) Comprehensive Environmental Response Compensation, and Liability Information System (CERCLIS) - within ½ mile of the subject property;
- U.S. EPA CERCLA National Priority List (NPL) within 1 mile of the subject property;
- California Department of Toxic Substances Control (DTSC) Hazardous Waste Sites (CAL-SITES) - within 1 mile of the subject property;
- California State Water Resources Control Board (SWRCB) Leaking Underground Storage Tank (LUST) Incident Reports within ½ mile of the subject property;
- California EPA/Office of Emergency Protection Hazardous Waste and Substance Site List (CORTESE List) – within 1 mile of the subject property;
- U.S. EPA Resource Conservation and Recovery Information System (RCRIS), Treatment, Storage, or Disposal (TSD) facilities (within ½ mile of the subject property) and Small Quantity and Large Quantity Generators of hazardous waste (SQG and LQG) databases - within ¼ mile of the subject property;
- Regional Water Quality Control Board (RWQCB) Spills, Leaks, Investigation and Cleanups (SLIC) database within ½ mile of the subject property;

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- SWRCB Hazardous Substance Storage Container Database (USTs) and California EPA Facility Inventory Database (FID) within ¼ mile of the subject property;
- U.S. EPA Emergency Response Notification System (ERNS) the subject property;
- California Integrated Waste Management Board Solid Waste Information System (SWIS) within ½ mile of the subject property;
- California EPA Hazardous Waste Information System (HAZNET) within ¼ mile of the subject property;
- U.S. EPA RCRA Corrective Action Report (CORRACTS) within 1 mile of the subject property;
- U.S. EPA Facility Index System (FINDS) the subject property; and
- U.S. EPA Toxic Chemical Release Inventory System (TRIS) the subject property.

4.3 Regulatory Agency Database Report Summary

The subject property is not listed on any of the databases searched.

Several sites in the vicinity of the subject property are identified as having documented releases of hazardous materials. The sites closest to the subject property are discussed below.

Murphy Ranch Pump Station, 801 Murphy Ranch Road is located adjacent to the southwest corner of the subject property. The site, which is owned by the City of Milpitas, is listed on the LUST, CORTESE and FID databases. A 2,000-gallon diesel UST and associated piping was removed from the site in July 1995 which was replaced with a currently-existing AST. Approximately 475 cubic yards (cy) of soil contaminated with total petroleum hydrocarbons quantified as diesel (TPHd) was excavated and disposed offsite. The maximum concentration of TPHd detected in soil was 1,400 milligrams per kilogram (mg/kg). Three groundwater monitoring wells were installed at the site. TPHd was detected at 230 micrograms per liter (ug/L) in a grab groundwater sample collected from the UST excavation. TPHd was not detected in groundwater collected from the monitoring wells at levels above laboratory reporting limits for four successive quarters. Regulatory case closure was issued in November 1998. Groundwater flow to the southeast was measured at this site, which is inconsistent with the northwesterly groundwater flow typically encountered in the Milpitas area. Groundwater flow may be affected by the subsurface Hetch-Hetchy pipelines present in the area and/or Coyote Creek. Based on the remedial activities and lack of detectable contaminants in groundwater, this site is not expected to pose a significant environmental concern to the subject property.

McCarthy Ranch at Bellew is a SCVWD-owned site located near the northwestern subject property boundary, and is listed on the CORTESE and LUST databases. Because historical

reports were not available for review from SCVWD or RWQCB, the exact location of the former UST is unknown. A 500-gallon UST was encountered and removed by SCVWD during levee construction activities in 1993. Five trenches, extending 25 – 35 feet radially away from the UST were dug to identify the extent of contaminated soil. Approximately 1,280 cy of soil was removed from the site and disposed offsite. Maximum detected concentrations of TPH quantified as gasoline (TPHg) and TPHd in soil were 1,800 and 28,000 mg/kg, respectively. No contaminants were detected in grab groundwater samples collected from the trenches, or from one groundwater monitoring well installed at the site. The RWQCB issued case closure for the site in April 1996. Based on the remedial activities and lack of detectable contaminants in groundwater, this site is not expected to pose a significant environmental concern to the subject property.

McCarthy Ranch, McCarthy Boulevard and Magnolia Street (currently Murphy Ranch Road) is located approximately 1/4 mile southeast of the subject property, and is listed on the CORTESE and LUST databases. Three USTs containing diesel and gasoline were removed from the site in 1988. Contaminated soil was overexcavated, aerated onsite and subsequently used as backfill. SCVWD records indicate that low levels of the pesticides DDT, DDE and DDD were detected in stockpiled soil. No contaminants were detected in a groundwater monitoring well installed at the site. Regulatory case closure was issued in June 1996. Based on the remedial activities and lack of detectable contaminants in groundwater, this site is not expected to pose a significant environmental concern to the subject property.

The remaining sites are not expected to present a significant environmental concern to the subject property based on one or more of the following: (1) the site is located down- or cross-gradient from the subject property with respect to the groundwater flow direction; (2) the release at the site is reported as having only affected soils; (3) the release at the site has been investigated and remediated under regulatory oversight; and/or (4) the site is situated at a distance too great to present a significant environmental concern.

5.0 SITE INSPECTION

PES personnel inspected the subject property on August 8, 2004 to assess the potential for environmental concerns related to the use or storage of hazardous materials at the subject site or surrounding properties. Observations from PES' site visit are discussed in the following sections. Photographs taken during the site inspection are included as Plates 3 through 6.

The subject property consists of an undeveloped lot covering approximately 21.7 acres at the southwest corner of Murphy Ranch Road and Technology Drive intersection in Milpitas, Santa Clara County, California (Plate 1). The site is bounded on the north by Technology Drive and Bellew Pump Station, on the east by Murphy Ranch Road, on the south by an access road and Murphy Ranch Pump Station, and on the west by a levee associated with Coyote Creek. Access to the subject property is obtained from Murphy Ranch Road, Technology Drive and the access road.

At the time of PES' site inspection, there were no buildings present at the site. The site consists of an unfenced field which appeared to have been recently disked. Evidence of previous weed and native growth was visible in the disked earth.

An area of apparent native growth was present at the northwestern portion of the site. This area was previously described as a marsh area (see Section 3.2); however, no evidence of standing water or saturated surface soil was observed during our site inspection. Small amounts of miscellaneous debris, including metal, concrete and building materials, were observed at various locations in the apparent native growth in the northwestern corner of the site. Vent pipes associated with pumping equipment was also present in this area. Stacks of boxed beehives were present near the vent pipes. According to the property manager, there is an informal agreement with the beekeeper for use of the site.

5.1 Chemicals/Hazardous Substances Containers

No indications of chemical use and/or storage were identified during PES' site inspection.

5.2 Storage Tanks

No indication of existing or historical onsite USTs or ASTs was found during PES' regulatory agency file reviews and site visit. No evidence of the oil and fuel containers identified in a 2000 Phase I ESA (Section 3.2) was observed.

5.3 Indications of PCBs

Two pad-mounted electrical transformers were observed on the subject property adjacent to Murphy Ranch Road. The transformers appeared new, and no evidence of leakage was observed.

An additional piece of equipment, which may be a transformer, was present at the southern property boundary. It was not clear whether the equipment was on the subject property or associated with the adjacent Murphy Ranch Pump Station. Some oily staining was observed on the concrete pad beneath the equipment, but the leakage did not appear to extend to soil.

5.4 Solid Waste Disposal

No solid waste is generated at the subject property.

5.5 Other Conditions of Concern

5.5.1 Asbestos Issues

Because there are no buildings currently at the site, asbestos is not considered an environmental concern at the subject property.

5.5.2 Lead-Based Paint Issues

Because there are no buildings currently at the site, lead-based paint is not considered an environmental concern at the subject property.

5.5.3 Radon Issues

The California Department of Health Services participated in the U.S. EPA's State Radon Survey which was conducted in 1990 to assess indoor radon levels in single-family homes. As part of the survey, homes in the subject property area were sampled for the presence of radon. The median value for radon levels was reported to be 0.4 pico curies per liter (pCi/l) of air for first floor living areas. This is significantly lower than the U.S. EPA's recommended action level of 4.0 pCi/l.

The State's survey indicates it is unlikely that radon levels in residences (or other above ground structures) in Milpitas are above the action level, and therefore, no radon testing is deemed necessary for this project.

6.0 FINDINGS AND CONCLUSIONS

The subject property consists of an undeveloped lot covering approximately 21.7 acres at 1001 Murphy Ranch Road in Milpitas, Santa Clara County, California. The site is bounded on the north by Technology Drive and Bellew Pump Station, on the east by Murphy Ranch Road, on the south by an access road and Murphy Ranch Pump Station, and on the west by a levee associated with Coyote Creek. The site is located in an area of Milpitas that is primarily office/commercial and light industrial use.

At the time of PES' site inspection, there were no buildings present at the site. The site consists of an unfenced field which appeared to have been recently disked. Evidence of previous weed and native growth was visible in the disked earth. An area of apparent native growth was present at the northwestern portion of the site which was previously described as a marsh area; however, no evidence of standing water or saturated surface soil was observed during our site inspection. Small amounts of miscellaneous debris, including metal, concrete and building materials, were observed at various locations in the apparent native growth in the northwestern corner of the site. Vent pipes associated with pumping equipment was also

present in this area. Stacks of boxed beehives were present near the vent pipes. There is no evidence of current hazardous material use at the subject property.

The results of PES' historical research indicates that the site has been used agriculturally since at least the 1950s. Approximately 15 farm buildings were historically present on or adjacent to the western subject property boundary. Pesticides and other chemicals were known to have been used and stored in the farm buildings, and pesticides and herbicides were reportedly applied to orchards and crops on the subject property. USTs were reportedly observed near farm buildings, but it is unclear if the observed USTs were on the subject property. Burrowing owls have been previously observed on the subject property. The burrowing owls were reportedly relocated under permit from the California Fish and Game Department.

PES' review of local, State and Federal regulatory agency databases revealed several documented hazardous material release sites located in the study area. The sites listed on hazardous material release databases are not expected to present a significant environmental concern to the subject property based on one or more of the following: (1) the site is located down- or cross-gradient from the subject property with respect to the groundwater flow direction; (2) the release at the site is reported as having only affected soils; (3) the release at the site has been investigated and remediated under regulatory oversight; and/or (4) the site is situated at a distance too great to present a significant environmental concern.

CONCLUSIONS

The following noteworthy observations were identified on the subject property during the Phase I ESA research and site inspection:

- The northwestern corner of the site was described as marsh area in a 2000 Phase I ESA report. No evidence of saturated surface soil or standing water was observed during PES' site inspection; however vernal pools or other seasonal wetlands indicators may not be readily observable in summer months;
- An apparent electrical transformer with evidence of an oil leak is present on the southern portion of the property;
- Burrowing owls, an endangered species, have historically been observed on the subject property. The owls were reportedly relocated under a permit from California Department of Fish and Game in 2001. Burrowing owls are known to re-nest in previously nested areas;
- Pesticides and other chemicals and USTs were reportedly associated with the farm and
 farm buildings historically present on the subject and adjacent properties. Exact
 locations of reported USTs and chemical use areas are unknown. Low levels of the
 pesticides DDT, DDT and DDD were detected in soil during remediation on previous
 agricultural land south of the subject property; and

• The subject property has been used by the City of Milpitas for fireworks display. Fireworks are known to contain perchlorate, a chemical which can affect groundwater quality and is subject to regulation.

No existing or historical recognized environmental conditions have been identified on the subject property.

PES recommends the following actions be implemented:

- Based on the unknown historical chemical use and storage practices on the subject property, PES recommends that a Phase II investigation be performed to evaluate soil and groundwater quality at the site;
- Due to uncertainty regarding the locations and removals of USTs reportedly associated with former farm buildings potentially located on the western portion of the subject property, a geophysical survey should be conducted to assess for the presence of USTs;
- Investigations should be performed to evaluate the potential presence of wetlands and endangered species at the subject property;
- Ownership of the electrical equipment at the southern property boundary should be identified and notified of the leakage from the equipment; and
- A copy of the permit issued by the California Fish and Game Department for the relocation of the burrowing owls should be obtained.

7.0 REFERENCES

- Harding Lawson Associates (HLA), 1997. Phase I Environmental Site Assessment, OCTEL Communications Corporation. August 28.
- LawGibb Group (LawGibb), 2000. Report of Phase I Environmental Site Assessment, Vacant Parcel, Lucent Technologies, Inc., 1001 Murphy Ranch Road, Milpitas, California.

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United States Geological Survey, 1979. Milpitas California Quadrangle, 7.5 Minute Series.